

AMENDED IN SENATE APRIL 2, 2014

SENATE BILL

No. 1273

Introduced by Senator Lara

February 21, 2014

An act to amend Sections 11629.7, 11629.71, ~~and~~ 11629.72, 11629.73, 11629.745, 11629.75, 11629.76, 11629.77, 11629.81, 11629.85, and 11629.87 of, and to repeal Section 11629.84 of, the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1273, as amended, Lara. Insurance: low-cost automobile insurance program.

~~Existing~~

(1) *Existing* law establishes within the California Automobile Assigned Risk Plan (CAARP) a low-cost automobile insurance program for all counties in California, until January 1, 2016, in order to provide a means for eligible consumers to buy automobile insurance, as specified. The parameters of the program, include, but are not limited to, value limits for the insured vehicle, initial ratesetting for certain counties, a surcharge for specified high-risk drivers, eligibility, sales commissions set at the rate CAARP pays for private passenger nonfleet risks, cancellation restrictions, and reporting requirements.

This bill would revise and recast the parameters of the program by, among other things, deleting provisions that limit the initial implementation of the program to specified counties and require the Insurance Commissioner to make a need-based assessment as to implementation in all other counties, deleting the repeal date of the program, thereby extending the operation of the program indefinitely, and deleting the limits on the value of an automobile that can be insured

through the program. The bill would also expand the surcharge and eligibility requirements to include drivers with fewer than 3 years of driving history, including a person who operates a motor vehicle with a specified type of driver's license, or drivers who have not been continually licensed for the past 3 years.

(2) Existing law requires an agent or broker, referred to as a producer, to inform every new prospective automobile insurance policyholder who requests specified information that the low-cost automobile insurance policy may be available for qualifying motorists. Under existing law, if a consumer requests more information about the program from a producer who is not certified under the plan, that producer is required to provide the consumer with a toll-free telephone number for the plan as an alternative coverage option for the consumer.

This bill would allow those producers to alternatively provide the consumer with the programs's Internet Web site.

(3) Under existing law, a certified producer who issues a low-cost automobile insurance policy pursuant to the program is entitled to the same commission rate as is paid by the plan for private passenger, nonfleet risks.

This bill would instead entitle those certified producers to an unspecified percentage rate of commission. The bill would require the plan and an insurance carrier to notify producers of pending policy cancellation, allow a consumer to reinstate a policy in lieu of canceling a policy that has been canceled for nonpayment of premium, to accept payment by check or money order, to allow a consumer or producer to make a down payment and installment payments by debit card or credit card either by telephone or through its Internet Web site.

(4) Existing law requires the plan to report to the Legislature annually on the status of the program, and requires the commissioner to make an annual report to specified committees of the Legislature.

This bill would instead require the plan to make the former report to the commissioner and to include specified data in that report, and would require the commissioner to combine the 2 reports and submit the combined report to the Legislature on or before March 15 annually.

(5) Existing law requires, in order to be eligible for funding through the budget process, that the plan be reviewed by specified committees of the Legislature.

This bill would delete that provision.

(6) Existing law requires the plan to establish and maintain an Internet Web site that provides members of the public with an option

for either a referral to a list of certified agents or brokers, as specified, or an assignment to a randomly selected certified agent or broker, as specified.

This bill would, instead require the plan's Internet Web site to provide consumers both of those options and the additional option to apply directly on the Internet Web site. The bill would require the plan and an insurance carrier to establish a data system, as specified. The bill would also delete obsolete provisions and make conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 11629.7 of the Insurance Code is
2 amended to read:

3 11629.7. (a) There is established, within the California
4 Automobile Assigned Risk Plan established under Section 11620,
5 a low-cost automobile insurance program for all counties in
6 California.

7 (b) The commissioner, after a public hearing, shall approve or
8 issue a reasonable plan for the equitable apportionment, among
9 insurers required to participate in the California Automobile
10 Assigned Risk Plan established under Section 11620, of persons
11 who are eligible to purchase through the program a low-cost
12 automobile insurance policy, as described in Section 11629.71.
13 The program shall be conducted in conjunction with the California
14 Automobile Assigned Risk Plan established under Section 11620.

15 SEC. 2. Section 11629.71 of the Insurance Code is amended
16 to read:

17 11629.71. A low-cost automobile insurance policy for purposes
18 of the program established under this article shall have all of the
19 following attributes:

20 (a) The policy shall offer coverage in the amount of ten thousand
21 dollars (\$10,000) for bodily injury to, or death of, each person as
22 a result of any one accident and, subject to that limit as to one
23 person, the amount of twenty thousand dollars (\$20,000) for bodily
24 injury to, or death of all persons as a result of any one accident,
25 and the amount of three thousand dollars (\$3,000) for damage to
26 property of others as a result of any one accident.

(b) The coverage required by Section 11580.2 shall be made available to the consumer. However, an insurer may charge a premium for that coverage in addition to the premium set forth in Section 11629.72. Notwithstanding the coverage amounts required by Section 11580.2 and Section 16056 of the Vehicle Code, uninsured motorist coverage issued in conjunction with a low-cost automobile policy under the program, with coverage limits at least equal to the limits of liability in the underlying low-cost automobile policy, shall satisfy the requirements of Section 11580.2 and the financial responsibility requirements of Sections 4000.37, 16021, and 16431 of the Vehicle Code.

(c) Medical payments coverage shall be made available to the consumer. However, an insurer may charge a premium for that coverage in addition to the premium set forth in Section 11629.72.

(d) The policy shall have an initial term of one year, renewable on an annual basis thereafter.

(e) The policy shall cover the person named in the policy, and to the same extent that insurance is provided to the named insured, any other person using the automobile, provided the use is with his or her permission, express or implied, and within the scope of that permission, except that the policy shall not cover members of the named insured's household who do not satisfy the requirements of subdivisions (b) to (e), inclusive, of Section 11629.73.

SEC. 3. Section 11629.72 of the Insurance Code is amended to read:

11629.72. (a) The annual rate offered under the program for each of the counties in California shall be established at a date according to the discretion of the commissioner. A surcharge, as a percentage of the base rate, shall be added to the base rate and that percentage shall be set at the discretion of the commissioner, if the named insured or a resident of the household of the named insured will be a driver of the automobile covered under the low-cost policy, and is ~~any~~ *both* of the following:

(1) An unmarried male between 19 and 24 years of age.

(2) ~~Operates~~ *To whom one or more of the following applies:*

(A) *Operates* a vehicle with a driver's license issued by the Department of Motor Vehicles pursuant to Section 12801.9 of the Vehicle Code and has fewer than three years of driving history.

~~(3)~~

(B) Has fewer than three years of driving history.

1 ~~(4)~~

2 (C) Has not been continually licensed to drive for the past three
3 years.

4 (b) (1) In addition to existing premium installment options
5 offered by the California Automobile Assigned Risk Plan under
6 Article 4 (commencing with Section 11620), the plan shall also
7 make available to an insured under the program a premium
8 installment option pursuant to which an insured is required to pay
9 not more than 15 percent of the total policy cost upon issuance of
10 the low-cost policy, followed thereafter by six other payments.

11 (2) Beginning on January 1, 2015, the commissioner may
12 approve or issue new installment plans in addition to or replacing
13 those offered pursuant to paragraph (1).

14 (3) No other premium financing arrangement shall be permitted.

15 (c) Rates for policies issued under the program in each county
16 or city and county shall be reviewed and revised as follows:

17 (1) Rates shall be sufficient to cover (A) losses incurred under
18 policies issued under the program, and (B) expenses, including,
19 but not limited to, all reasonable and necessary expenses such as
20 the costs of administration, underwriting, taxes, commissions, and
21 claims adjusting, that are incurred due to participation in the
22 program. For purposes of this paragraph, “losses incurred” means
23 claims paid, claims incurred and reported, and claims incurred but
24 not yet reported. In assessing loss reserves, the commissioner shall
25 only allow loss reserves that are estimated from actual losses in
26 the program or comparable data by a licensed statistical agent, as
27 adjusted to reflect coverage provided under the program.

28 (2) Rates shall be set so as to result in no projected subsidy of
29 the program by those policyholders of insurers issuing policies
30 under the program who are not participants in the program.

31 (3) Rates shall be set with respect to the program so as to result
32 in no projected subsidy by policyholders in one county of
33 policyholders in any of the other counties.

34 (4) Commencing on January 1, 2015, and no less than every
35 three years thereafter, the California Automobile Assigned Risk
36 Plan shall submit the loss and expense data, together with a
37 proposed rate and the surcharge authorized by subdivision (a) for
38 the low-cost automobile policy for the program, to the
39 commissioner for approval in accordance with this chapter. The
40 commissioner shall act on the recommendation within 90 days.

1 *SEC. 4. Section 11629.73 of the Insurance Code is amended*
2 *to read:*

3 11629.73. A low-cost automobile insurance policy under the
4 program shall only be available for purchase by persons who satisfy
5 the following eligibility requirements:

6 (a) The person shall be in a household with a gross annual
7 household income that does not exceed 250 percent of the federal
8 poverty level, as defined in Part 6.2 (commencing with Section
9 12693) or as defined in an equivalent manner that is approved by
10 the commissioner.

11 (b) The person shall be no less than 19 years of age and have
12 been continuously licensed to drive an automobile for the previous
13 three years, *except that a person who has not been continually*
14 *licensed to drive or has fewer than three years of driving history*
15 *may qualify for the surcharge under subdivision (a) of Section*
16 *11629.72.*

17 (c) The person shall have not more than one of either, but not
18 both, of the following within the previous three years:

19 (1) A property damage only accident in which the driver was
20 principally at fault.

21 (2) A point for a moving violation.

22 (d) The person shall not have on record within the previous
23 three years, an at-fault accident involving bodily injury or death.

24 (e) The person shall not have a felony or misdemeanor
25 conviction for a violation of the Vehicle Code on his or her motor
26 vehicle record.

27 (f) The person shall not be a college student claimed as a
28 dependent of another person for federal or state income tax
29 purposes.

30 *SEC. 5. Section 11629.745 of the Insurance Code is amended*
31 *to read:*

32 11629.745. (a) An agent or broker (hereafter referred to as a
33 producer) who conducts business in a county in which a low-cost
34 automobile insurance policy is available pursuant to this article
35 shall inform every new prospective automobile insurance
36 policyholder who requests a minimum limits or basic limits
37 insurance policy, or coverage to meet California's minimum limits
38 automobile insurance requirements, that the low-cost automobile
39 insurance policy may be available for qualifying motorists. The
40 information may be provided ~~verbally~~ *orally* if the producer has

1 been contacted by telephone, or in writing, but shall be
2 communicated to the policyholder prior to the application for
3 automobile insurance coverage in the language in which the
4 producer has otherwise communicated with the consumer.

5 (b) If the consumer requests more information about the low-cost
6 program the producer shall do either of the following:

7 (1) If the producer is California Automobile Assigned Risk Plan
8 certified, provide the consumer with an explanation in an
9 information pamphlet produced by the California Automobile
10 Assigned Risk Plan and approved and provided by the Department
11 of Insurance of the qualifications, cost and coverage provided by
12 the policy. If the consumer qualifies for the low-cost policy and
13 wishes to purchase the policy, the California Automobile Assigned
14 Risk Plan certified producer shall provide the application and,
15 upon completion, submit the application, supporting documents,
16 and the applicant's certification to the California Automobile
17 Assigned Risk Plan. The submittal of the California Automobile
18 Assigned Risk Plan application may be in addition to any other
19 coverage offered or applied for through the producer.

20 (2) If the producer is not California Automobile Assigned Risk
21 Plan certified, the producer shall provide the consumer with the
22 toll-free telephone number for the California Automobile Assigned
23 Risk Plan *or the program's Internet Web site address* as an option
24 to coverage offered by the producer.

25 *SEC. 6. Section 11629.75 of the Insurance Code is amended*
26 *to read:*

27 11629.75. (a) A certified producer shall provide to an applicant
28 for a low-cost automobile insurance policy under this article a
29 notice relating to coverage under the policy. The notice shall be
30 provided in a separate document at the time of application, and
31 include the following statement in 14-point boldface type:

32
33 "NOTICE

34
35 INSURANCE COVERAGE PROVIDED IN THE POLICY YOU
36 ARE BUYING CONTAINS REDUCED LIABILITY
37 COVERAGE FOR PERSONAL INJURIES OR PROPERTY
38 DAMAGE RESULTING FROM THE OPERATION OF THE
39 INSURED VEHICLE. IF LOSSES FROM AN AUTOMOBILE
40 ACCIDENT EXCEED THE COVERAGE PROVIDED BY THIS

1 POLICY, YOU CAN BE HELD PERSONALLY LIABLE AND
2 RESPONSIBLE FOR THOSE LOSSES.
3 THIS POLICY PROVIDES LIABILITY COVERAGE FOR
4 INJURIES OR DEATH CAUSED TO OTHER PERSONS IN
5 THE TOTAL AMOUNT OF TEN THOUSAND DOLLARS
6 (\$10,000) PER PERSON IN ANY ONE ACCIDENT, AND UP
7 TO A TOTAL AMOUNT OF TWENTY THOUSAND DOLLARS
8 (\$20,000) FOR ALL PERSONS IN ANY ONE ACCIDENT. THE
9 POLICY ALSO PROVIDES UP TO A TOTAL AMOUNT OF
10 THREE THOUSAND DOLLARS (\$3,000) IN LIABILITY
11 COVERAGE FOR PROPERTY DAMAGE IN ANY ONE
12 ACCIDENT. IF YOU WANT MORE INSURANCE COVERAGE,
13 YOU MUST REQUEST A DIFFERENT POLICY.
14 THIS POLICY ALSO DOES NOT COVER DAMAGE TO YOUR
15 OWN VEHICLE, LOSSES RESULTING FROM YOUR BODILY
16 INJURY OR DEATH, OR COVERAGE FOR LOSSES CAUSED
17 BY AN UNINSURED OR UNDERINSURED DRIVER.
18 HOWEVER, THESE OTHER COVERAGES MAY BE
19 AVAILABLE AT EXTRA COST THROUGH OTHER
20 INSURERS.
21 THIS POLICY MAY ALSO CONTAIN UNINSURED
22 MOTORIST BODILY INJURY COVERAGE IN THE TOTAL
23 AMOUNT OF TEN THOUSAND DOLLARS (\$10,000) PER
24 PERSON IN ANY ONE ACCIDENT AND UP TO A TOTAL
25 AMOUNT OF TWENTY THOUSAND DOLLARS (\$20,000)
26 FOR ALL PERSONS IN ANY ONE ACCIDENT, IF YOU SO
27 CHOOSE. IN ADDITION, THIS POLICY MAY ALSO
28 CONTAIN MEDICAL PAYMENTS COVERAGE IN THE
29 AMOUNT OF ONE THOUSAND DOLLARS (\$1,000) PER
30 PERSON IN ANY ONE ACCIDENT, IF YOU SO CHOOSE.
31 THIS POLICY DOES NOT COVER ANY OTHER DRIVER IN
32 YOUR HOUSEHOLD WHO:
33 (a) IS UNDER 19 YEARS OF AGE; OR
34 (b) HAS LESS THAN 3 YEARS OF CONTINUOUSLY
35 LICENSED DRIVING EXPERIENCE (*UNLESS THE POLICY*
36 *INCLUDES A SURCHARGE FOR THIS DRIVER*); OR
37 (c) HAS MORE THAN ONE OF EITHER, OR BOTH, OF THE
38 FOLLOWING:
39 —A PROPERTY DAMAGE ONLY ACCIDENT IN WHICH
40 THE DRIVER WAS PRINCIPALLY AT FAULT.

1 —A POINT FOR A MOVING VIOLATION; OR
2 (d) HAS IN THE PREVIOUS 3 YEARS AN AT-FAULT
3 ACCIDENT INVOLVING BODILY INJURY OR DEATH; OR
4 (e) HAS A FELONY OR MISDEMEANOR CONVICTION
5 FROM A VIOLATION OF THE VEHICLE CODE ON HIS OR
6 HER MOTOR VEHICLE RECORD.”

7 (b) When the certified producer establishes delivery of the
8 disclosure form specified in subdivision (a) by obtaining the
9 signature of the applicant or insured, there shall be a conclusive
10 presumption that the certified producer has complied with the
11 disclosure requirements of this section.

12 *SEC. 7. Section 11629.76 of the Insurance Code is amended*
13 *to read:*

14 11629.76. (a) For a low-cost automobile insurance policy
15 issued pursuant to the program, certified producers shall be entitled
16 ~~to the same a commission rate as is paid by the California~~
17 ~~Automobile Assigned Risk Plan for private passenger, nonfleet~~
18 ~~risks under Article 4 (commencing with Section 11620). of ____~~
19 ~~percent.~~

20 (b) Notwithstanding subdivision (a), the commissioner may at
21 any time establish a commission for a low-cost automobile
22 insurance policy issued pursuant to the program and may make
23 the commission effective on any policy originated within an entire
24 year, or any portion of a year, as is needed to provide an incentive
25 to certified producers to sell low-cost automobile insurance to
26 eligible applicants. The commissioner shall not establish a
27 commission pursuant to this subdivision if the commissioner
28 determines that setting the commission rate will result in a lower
29 ~~commission percentage than would exist pursuant to subdivision~~
30 ~~(a). than the commission paid by the California Automobile~~
31 ~~Assigned Risk Plan for private passenger, nonfleet risks under~~
32 ~~Article 4 (commencing with Section 11620).~~

33 (c) No other fees of any kind may be charged or collected
34 pursuant to this section and the sale of a low-cost policy under this
35 article shall not be conditioned on the purchase of any other product
36 or service.

37 *SEC. 8. Section 11629.77 of the Insurance Code is amended*
38 *to read:*

1 11629.77. (a) A low-cost automobile insurance policy issued
2 pursuant to the program shall be canceled only for the following
3 reasons:

4 (1) Nonpayment of premium.

5 (2) Fraud or material misrepresentation affecting the policy or
6 the insured.

7 (3) The purchase of additional automobile liability insurance
8 coverage in violation of subdivision (a) of Section 11629.78.

9 (4) The purchase or maintenance of automobile liability
10 insurance coverage other than a low-cost policy for any additional
11 vehicles in the insured's household, in violation of subdivision (b)
12 of Section 11629.78.

13 *(b) The California Automobile Assigned Risk Plan and an*
14 *insurance carrier shall notify producers of pending policy*
15 *cancellations. The plan and an insurance carrier shall allow a*
16 *consumer to reinstate, in lieu of canceling, all policies that have*
17 *been canceled for nonpayment of premium. The plan and an*
18 *insurance carrier shall accept payment by check or money order,*
19 *and shall allow a consumer or producer to make a down payment*
20 *and installment payments by debit card or credit card, either by*
21 *telephone or through its Internet Web site.*

22 ~~(b)~~

23 (c) A policy shall be nonrenewed only for the following reasons:

24 (1) A substantial increase in the hazard insured against.

25 (2) The insured no longer meets the applicable eligibility
26 requirements. In this regard, the eligibility of an insured shall be
27 recertified by the California Automobile Assigned Risk Plan after
28 the first year of eligibility, and annually thereafter by the insurer
29 that issued the policy.

30 SEC. 9. Section 11629.81 of the Insurance Code is amended
31 to read:

32 11629.81. (a) The California Automobile Assigned Risk Plan
33 shall report to the ~~Legislature~~ commissioner on an annual basis,
34 and at those additional times as it deems prudent, on the status of
35 the program. *The report shall include data regarding new policies,*
36 *renewed policies, and policy cancellations or nonrenewals.*

37 *(b) The department shall combine the report pursuant to*
38 *subdivision (a) with the report required by Section 11629.85 and*
39 *submit the combined report to the Legislature on or before March*
40 *15 of each year.*

1 (c) A report submitted pursuant to subdivision (b) shall be
2 submitted in compliance with Section 9795 of the Government
3 Code.

4 ~~SEC. 4.~~

5 SEC. 10. Section 11629.84 of the Insurance Code is repealed.

6 SEC. 11. Section 11629.85 of the Insurance Code is amended
7 to read:

8 11629.85. (a) On or before March+ 15 of each year, the
9 commissioner shall prepare and propose a plan *in a report* to the
10 ~~Senate Committee on Banking, Finance, and Insurance and the~~
11 ~~Assembly Committee on Insurance~~ Legislature setting forth the
12 methods the commissioner intends to implement to inform
13 households eligible for the program about the availability of
14 low-cost automobile insurance. ~~To be eligible for funding through~~
15 ~~the budget process, the plan shall be reviewed by the Senate~~
16 ~~Committee on Banking, Finance, and Insurance and the Assembly~~
17 ~~Committee on Insurance. The information required under~~
18 ~~subdivision (c) shall also be provided to the Senate Committee on~~
19 ~~Transportation and Housing and the Assembly Committee on~~
20 ~~Transportation.~~

21 (b) The plan shall include, at a minimum, a brief description of
22 methods proposed to be used, anticipated costs, sources of revenue,
23 goals, targets, objectives, and a justification of the proposed
24 methods. The plan shall also explain how the department proposes
25 to work in cooperation with the California Automobile Assigned
26 Risk Plan, the social service ~~departments in eligible counties;~~
27 ~~agencies,~~ the Department of Motor Vehicles, and community-based
28 organizations in order to inform eligible households of the
29 existence of the program.

30 (c) The plan shall also include all of the following:

31 (1) The commissioner's determination regarding whether the
32 program has been successful, based on the criteria specified in
33 subdivision (d), and an explanation regarding that success or lack
34 thereof.

35 (2) In cooperation with the California Automobile Assigned
36 Risk Plan, structural characteristics of the program that may require
37 statutory revision in order for the program to succeed or to improve
38 upon existing success.

1 (3) Impediments to success of the program that can reasonably
2 be overcome by revision to the strategies adopted by the
3 department.

4 (4) A detailed explanation of the department's use for the
5 program of funds assessed pursuant to Section 1872.81 *for the*
6 *previous fiscal year*.

7 (5) For the previous calendar year, a list of the total low-cost
8 auto premium for each county in which the program was available.

9 (d) The program is successful if the following occur:

10 (1) The program generated sufficient premiums to cover losses
11 incurred under policies issued under the program, and expenses
12 incurred by the program, as calculated pursuant to subdivision (c)
13 of Section 11629.72.

14 (2) The program served the public purpose of offering access
15 to automobile insurance to otherwise underserved communities in
16 the program areas.

17 (3) The program offered access to automobile insurance to
18 previously uninsured motorists seeking affordable coverage in the
19 program areas.

20 (4) The program's outreach efforts lead uninsured motorists to
21 contact a producer, and the driver obtains any auto insurance policy
22 that complies with California law.

23 (e) Any written or oral advertisements, including, but not limited
24 to, paid or unpaid commercial or noncommercial advertising, by
25 the department with reference to the low-cost automobile insurance
26 program shall reference the department and shall not reference the
27 commissioner by name or office, or include the commissioner's
28 voice, image, or likeness. The department shall not participate with
29 any nongovernmental entity that produces or intends to produce
30 advertisements or educational material that include the name of
31 the commissioner or his or her voice, image, or likeness, and that
32 are intended to make eligible households aware of the existence
33 of low-cost automobile insurance.

34 (f) *A report submitted pursuant to subdivision (a) shall be*
35 *submitted in compliance with Section 9795 of the Government*
36 *Code.*

37 *SEC. 12. Section 11629.87 of the Insurance Code is amended*
38 *to read:*

39 11629.87. (a) Subject to the approval of the commissioner,
40 the California Automobile Assigned Risk Plan shall establish and

1 ~~maintain, or contract with an entity to establish and maintain,~~ an
2 Internet Web site that shall provide members of the public with
3 an option for ~~either~~ *each* of the following:

4 (1) Referral to a list of certified agents or brokers with an office
5 in the same geographic area as the consumer who may be contacted
6 to purchase a low-cost automobile insurance policy. This list shall
7 contain the name, address, telephone number, and, if available,
8 the ~~e-mail~~ *email* address and Internet Web site of those agents or
9 brokers.

10 (2) Assignment to a randomly selected certified agent or broker
11 in the same geographic area as the consumer who can be accessed
12 online to process and accept an application to purchase a low-cost
13 automobile insurance policy. The assigned agent or broker shall
14 be subject to the conditions specified in Section 11629.86.

15 (3) *The ability to apply directly on the Internet Web site.*

16 (b) The plan may, with the approval of the ~~Department of~~
17 ~~Insurance,~~ *department,* authorize the use, for a designated period
18 of time, of the department-owned Internet Web site domain name
19 <http://www.mylowcostauto.com>, or any other relevant domain
20 names controlled by the Department of Insurance, for the purposes
21 of this section and Section 11629.86.

22 (c) The plan shall ensure that the Internet Web site does all of
23 the following:

24 (1) Provides all disclosures and other information required by
25 law that would otherwise be provided by a producer.

26 (2) Effectively educates consumers about the eligibility
27 requirements, the benefits, and the limits of the low-cost
28 automobile insurance policy.

29 (3) Describes or establishes a process to collect any documents
30 that are necessary for determining qualification for the policy.

31 (4) Establishes a process to electronically certify the information
32 provided by the consumer.

33 (5) Maintains safeguards to ensure that consumer information
34 transmitted through that Internet Web site is secure.

35 (6) Provides the physical address of the producer and the
36 telephone number and e-mail of the producer.

37 (7) Provides the contact information for the Consumer Services
38 Division of the ~~Department of Insurance,~~ *department.*

1 (8) Adheres to any other rules and regulations adopted by the
2 Department of Insurance to promote the purposes of this section
3 and Section 11629.86.

4 (9) Notifies the consumer that if he or she does not qualify for
5 the low-cost automobile insurance policy that other policies may
6 be available from producers or insurers. Directs the consumer to
7 the ~~Department of Insurance's~~ *department's* auto insurance
8 premium comparison Internet Web page.

9 (d) The Internet Web site shall not be made available to the
10 public until the commissioner has made a determination that it
11 adequately provides all of the necessary information a consumer
12 would need in order to apply to purchase the policy.

13 (e) The Internet Web site shall be constructed to authorize the
14 ~~plan-certified producer~~ *consumer* to forward the application,
15 supporting documents, and the ~~applicant's~~ *consumer's* certification
16 to the plan.

17 (f) The Internet Web site shall accept payment by credit or debit
18 card or other form of electronic payment the ~~Department of~~
19 ~~Insurance~~ *department* determines to be appropriate. It shall also
20 provide a mechanism for payment by check.

21 (g) The Internet Web site shall be made available in English
22 and Spanish and in as many additional languages as feasible. The
23 English and Spanish language sites shall be made available to the
24 public as soon as possible, irrespective of whether other versions
25 are finalized.

26 ~~(h) Notwithstanding any provision of Chapter 2 (commencing~~
27 ~~with Section 10290) of Part 2 of Division 2 of the Public Contract~~
28 ~~Code, if the plan chooses to contract with an entity to establish~~
29 ~~and maintain the Internet Web site, the plan shall solicit and~~
30 ~~consider the contract via an open, competitive bid process;~~
31 ~~however, it shall not issue a request for proposals until the~~
32 ~~Department of Insurance has approved the request. The contract~~
33 ~~period shall not extend more than three years. Twelve months~~
34 ~~before the expiration of the contract, the plan shall determine~~
35 ~~whether to renew the contract or solicit bids for a new contract.~~

36 (i)

37 (h) The plan may request, and the ~~Department of Insurance~~
38 ~~department~~ may include in its plan submitted pursuant to Section
39 11629.85, that up to one hundred thousand dollars (\$100,000) from
40 the department's existing consumer outreach fund be made

1 available for the development of the Internet Web~~Site~~. *site*.
2 *Electronic signatures shall have the same effect as pen-on-paper*
3 *signatures for the purposes of this program. The staff answering*
4 *the plan's toll-free telephone number may transfer the consumer*
5 *directly to a producer who may sell a policy to the consumer.*
6 *(i) The plan and an insurance carrier shall establish a data*
7 *system whereby renewed policies, policy cancellations, and*
8 *nonrenewals can be tracked, both by aggregate numbers and by*
9 *individual consumer. The department shall have access to both*
10 *the aggregate and individual consumer data for research and*
11 *outreach purposes.*

O